

## Personalized Tools Available Through SDRS Web Site

# Online Calculator Aids Members' Retirement Planning

WHEN MEMBERS ASK ABOUT the amount of their monthly benefit, or how much of their income SDRS will replace in retirement, authorized agents can refer them to a convenient, personalized resource: the online SDRS benefits calculator.

A new feature of the SDRS Web site, [www.sdrs.sd.gov](http://www.sdrs.sd.gov), the calculator lets members estimate their monthly benefits using up-to-date information about their SDRS accounts. By allowing members to estimate benefits under various scenarios such as different retirement dates, years of credited service and final salary, the

calculator takes some of the guesswork out of retirement planning.

## Calculator Offers Individual Information

Members access the calculator by logging in to *My SDRS*, the secure members-only section of the Web site. First-time users will need to register using their Social Security numbers and set a password to access *My SDRS* on future visits.

After logging in, members view the *My SDRS* welcome screen; clicking a tab at the top of the page directs them to the benefits calculator. The calculator automatically uploads current information about the member's credited service and contributions. By entering retirement dates and estimates of salary and additional quarters of service,

members can see the effect a few more years of work or the purchase of additional credited service can have on the amount of their monthly benefit.

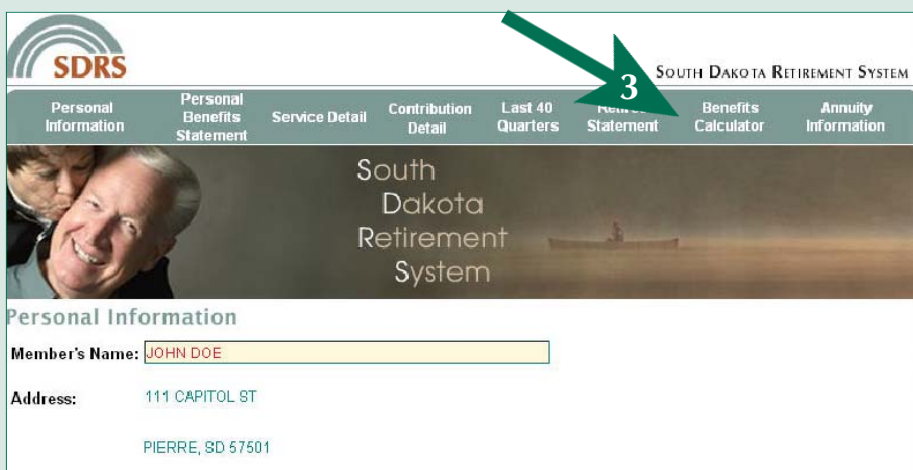
## Estimating Retirement Income Needs Now Easier

SDRS also makes it simpler for members to determine how much income they'll need in retirement. The SDRS Web site now provides a link to Ballpark E\$timate, which features online worksheets that reduce the complexity of estimating retirement income needs.

Members can use the SDRS benefits calculator to estimate the amount of their SDRS benefits, then enter that estimate into the Ballpark worksheet to get a more accurate overall picture of their retirement needs. *continued on the following page*



1. Members log in here with their SDRS IDs and passwords.
2. First-time users click here to complete the simple registration process.



3. From the *My SDRS* welcome page, click on the tab "Benefits Calculator."

1: When the calculator page opens, it will have already uploaded the member's (a) name, (b) class of membership, (c) months of service and (d) current final average salary.


2: To receive a benefit estimate, enter

- » (a) months of additional purchased service if the member is currently purchasing service through a contract with SDRS or plans to purchase service before retirement
- » (b) month and year of last pay date prior to retirement
- » (c) month and year to begin drawing retirement benefits

Then click "Calculate Benefit."


3: The calculator now shows (a) the member's estimated monthly SDRS benefit and (b) percentage of income replaced by SDRS.

Note: the current final average salary is given in today's dollars. This is used in the calculation of the retirement benefit unless the member clicks option B or C. The final average salary can be adjusted for inflation by 2 percent to 3.5 percent for each additional year of employment (option B). Members can also click option C to adjust their future quarters of salary.

After the member clicks "Calculate Benefit," the calculator shows the new monthly SDRS benefit and income replacement percentage based on the final average salary option selected. 

SOUTH DAKOTA RETIREMENT SYSTEM

Personal Information
Personal Benefits Statement
Service Detail
Contribution Detail
Last 40 Quarters
Retiree Statement
Benefits Calculator
Annuity Information



## South Dakota Retirement System

### Personal Retirement Benefit Information Calculator

**Member's Name:** JANE DOE (1a)

The SDRS benefit calculator is a valuable tool to be used in your retirement planning. You can use this tool to estimate the effect various retirement dates, years of credited service and final average salary changes may have on your monthly SDRS benefit.

1. Your SDRS retirement benefit will be calculated on the following credited service: (1b)

☒ Class A Estimate
☐ Class B Public Safety Estimate
☐ Class B Judicial Estimate

2. Credited Service prior to July 1, 2002: (1c)  
(Per last service calculation date of: 6/30/2006 )

108

3. Credited Service after July 1, 2002: (2a)  
(Per last service calculation date of: 6/30/2006 )

48

4. **Purchasing Service:** If you are currently purchasing service through a contract with SDRS or if you anticipate purchasing service before your retirement, you may enter the purchased service (in months) for retirement benefit estimate purposes.

0

Cost of Purchasing Service: [Click here to calculate the current cost of purchasing service.](#)

5. **Enter** the month and year of your last pay date before retirement: (2b)

Month / Year

/

Month / Year

6. **Enter** the month and year you plan to begin drawing retirement benefits: (2c)

Month / Year

/

Month / Year

7. **Select:** You may calculate your SDRS retirement benefit by selecting one of the 3 following methods:

☒ (A) Use current Final Average Salary:  
This option will estimate your retirement benefit based on today's dollars. (1d)

\$30,959.25

☐ (B) Project your current final average compensation by a yearly inflation factor: (3a)

☒ 2%  
☐ 2.5%  
☐ 3%  
☐ 3.5%

(This option will inflate your current final average compensation to the last pay date indicated in (5.) above)

☐ (C) Quarterly Salary Adjustment:  
(This option allows you to estimate your final quarters of salary in order to adjust your final average compensation - If you select this option a screen will appear for your completion.) (3b)

8. Calculate Benefit 2

Your Estimated Monthly SDRS Benefit is calculated to be: (3a)

This amount represents an estimate that has been prepared from information provided by you for planning purposes. Your actual retirement benefit will be calculated by SDRS based on your final service and compensation on file at SDRS.

\* See note on limitations below.

The percentage of your final average salary that this estimated benefit represents: (3b)

The percentage of your income replaced by SDRS is vital information as you plan for retirement. To maintain the same standard of living after retirement that you had while working we estimate that you will need 70 to 85 percent of your final average salary. This percentage is arrived at by combining your SDRS retirement benefit with your Social Security benefit, plus your personal savings and other income.

\* Note on limitations:

Please note that your estimated SDRS retirement benefit may be subject to limitations. IRS Section 415 imposes retirement benefit limitations on high income employees. Please see [www.sdrs.sd.gov](http://www.sdrs.sd.gov) for an explanation of the Section 415 limitation. Additionally, if you participated in the Bankers Life retirement plan (Regent employees only) prior to 1975, your SDRS benefit may be offset. Please contact SDRS for further information if you believe either of these limitations may apply to you.

Reset Calculator

**Additional Help:**  
To further help estimate the amount of personal savings you may require for

# Options for Terminating Members

**WHEN MEMBERS END** their employment at an SDRS unit, they may leave behind their cubicles and co-workers, but they can take their retirement savings with them. No matter what the reason for relinquishing active SDRS membership—resignation, retirement, dismissal or a change to part-time employment—members can choose what to do with the money in their SDRS accounts.

## Retaining a Retirement Account

Vested members—those who have 36 months of contributory service—can simply leave their money in their interest-bearing SDRS accounts until retirement, then draw monthly benefits for life. For many this is the most advantageous option, promising the greatest value returned on their savings.

Members who are not vested when ending SDRS employment can leave money in their SDRS accounts for a maximum of 10 years. This option maintains the funds in an interest-bearing, tax-deferred account. After 10 years, the money must be withdrawn or the funds are forfeited.

Members moving to other jobs providing retirement benefits may be able to roll their SDRS accounts into their new employers' retirement plans without penalties. This simplifies management of retirement financing, although members considering this option might wish to compare the performance record of their new retirement plans to that of SDRS.

## Refunding an SDRS Account

Any member leaving SDRS-covered employment for whatever reason can choose to receive a refund of the money in his or her SDRS account. Usually the

value of lifetime retirement benefits far outweighs the amount of the refund, but occasionally individuals encounter situations in which they prefer to forfeit all rights to SDRS benefits and receive a single, lump-sum payout. If vested, a member receives a refund of the total of member and employer contributions plus interest. Members who did not become vested receive the total of their member contributions and 75 percent of their employers' contributions, plus interest on both.

If a member becomes ineligible to participate in SDRS because of a change in job status—such as working fewer than 20 hours a week or six months per year—that member can exercise the same options for his or her account as do terminating members, with one exception: Members changing from participating to nonparticipating status must wait one year before withdrawing contributions.

## Requesting a Refund

Members considering a refund are encouraged to consult with an SDRS retirement planner to be sure to fully understand the long-term consequences of a refund, including tax implications. To apply for a refund members must contact SDRS themselves and request a refund explanation packet. The packet will include a Form B-4, Applying for an SDRS Refund Benefit, which the member must sign and return to SDRS.

Before a refund can be issued, SDRS must receive the Form B-1, Termination of Contributory Service, completed by the member's employer. This form provides SDRS with information regarding the member's termination and final contribution dates. Lump-sum payouts for unused sick leave and vacation should not be reported to SDRS.

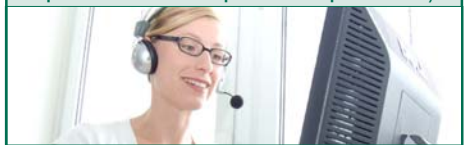
The final contribution report documents the amounts withheld from the employee's paychecks. All contributions must be received before a refund is issued. Usually it takes four to six weeks from the date of the member's final paycheck to process a refund. Also, if the member is married, the member's spouse must sign off on the refund.

## Redepositing Refunds

Occasionally a member who does refund out and then returns to work for an SDRS unit may wish to reinstate the credited service of his or her previous employment. To do so, that member must return the amount of the refund he or she received, plus interest for the time of absence. Redeposits must be made in a single lump-sum payment or through a trustee-to-trustee transfer—the deposit of funds withdrawn from one retirement account directly into another—within two years of returning to work. **Up Date**

## Getting in Touch with SDRS

To initiate a refund, a member may request a refund explanation packet by



**calling** the SDRS office at  
1-888-605-SDRS or (605) 773-3731

**mailing** a request to  
South Dakota Retirement System  
P.O. Box 1098  
Pierre, SD 57501-1098



**e-mailing** a request from the contact page of the SDRS Web site,  
[www.sdrs.sd.gov/contact](http://www.sdrs.sd.gov/contact)



## SDRS STATE-WIDE INDIVIDUAL COUNSELING SCHEDULE

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS	DEADLINE TO SCHEDULE
November 21, 2006	Lake, Miner	Madison, Karl Mundt Library	8th and Egan	November 16, 2006
November 28, 2006	Hand, Hyde	Miller, American State Bank	131 N Broadway	November 23, 2006
December 5, 2006	Lawrence	Spearfish, Holiday Inn	I-90 Exit 14	November 30, 2006
December 12, 2006	Campbell, Walworth	Mobridge, Wrangler Inn	820 W Grand Crossing	December 7, 2006

\* Individual retirement counseling sessions must be scheduled before noon on this date.

## REGIONAL RETIREMENT PLANNING

SCHEDULE DATE	COUNTY	LOCATION	ADDRESS
November 14, 2006	Harding, Perkins, Corson, Butte, Lawrence, Meade, Ziebach, Haakon, Pennington, Custer, Fall River, Shannon, Jackson, Bennett	Holiday Inn, Spearfish	I-90 Exit 14

## Timely Communication Essential to SDRS' Service Keep Members' Mailing Addresses Current

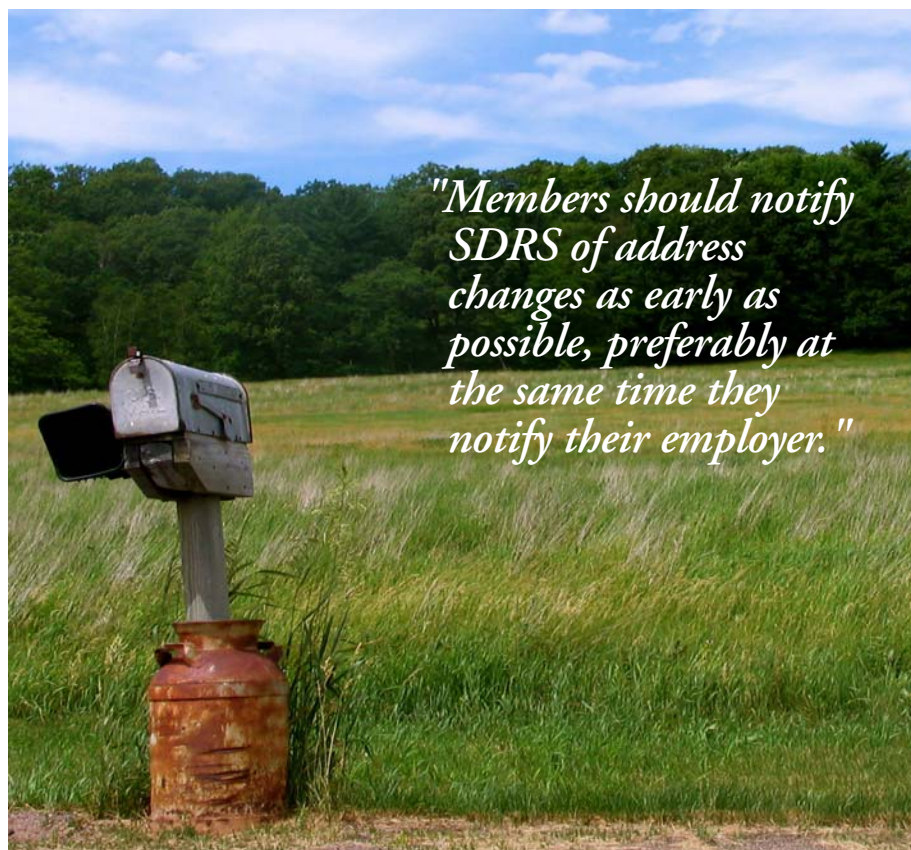
SDRS **DEPENDS ON** the mail to send members information relating to their accounts. Yet members often forget to send the system their new addresses

when they move. That could result in delayed delivery of member benefits. Authorized agents can help SDRS provide service by reminding members to

update their mailing addresses. Filing a change of address with SDRS is quick and easy — members can

- » call 1-888-605-SDRS or (605) 773-3731
- » write to South Dakota Retirement System, P.O. Box 1098, Pierre, SD 57501-1098
- » send e-mail to [sdrsweblink@state.sd.us](mailto:sdrsweblink@state.sd.us)
- » complete an E-2 Change of Enrollment form, available through authorized agents

Members should notify SDRS of address changes as early as possible, preferably at the same time they notify their employer. For additional copies of the E-2 or other SDRS forms, call SDRS. **UpDate**



*"Members should notify SDRS of address changes as early as possible, preferably at the same time they notify their employer."*

### Call Toll-Free

Authorized agents and members located outside the Pierre area can now call SDRS toll-free at 1-888-605-SDRS.